

USDC SDNY DOCUMENT ELECTRONICALLY FILED DOC #: DATE FILED: <u>8/10/18</u>
--

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X
JIHONG WANG, et al., Individually and on Behalf :
of All Others Similarly Situated, :

Plaintiffs, :

- against - :

CHINA FINANCE CO. LIMITED, :

Defendant. :
-----X

15 Civ. 7894 (RMB)

ORDER ENTERING JUDGMENT

Having reviewed the record herein, including, without limitation: (1) the Second Amended Complaint, dated December 24, 2015 ("Second Amended Complaint"), alleging that China Finance Online Co. Limited ("China Finance") violated the U.S. federal securities laws by, among other things, failing "to disclose that its \$22 million investment in Langfang Development [i.e. a real estate developer] [wa]s a related party transaction" Second Amended Complaint ¶¶ 66-67 (emphasis omitted). The individual defendants who had been named in the Second Amended Complaint were dismissed by Lead Plaintiffs on March 9, 2016; (2) the Stipulation of Settlement, dated August 15, 2016 ("Settlement Agreement"), in which China Finance agreed to pay \$3 million into a settlement fund for the benefit of "a class consisting of all persons and entities who purchased or otherwise acquired [China Finance American Depositary Shares] between April 29, 2013 and June 3, 2015" ("Class"). Settlement Agreement at 2; (3) the Transcript of the March 21, 2017 Fairness Hearing conducted by the Court ("3/21/17 Tr.") at which Lead Plaintiffs' Counsel, Laurence M. Rosen, advised the Court that the Class' maximum possible damages were \$42.3 million and that a \$3 million settlement amount represented 7 percent of the Class' maximum possible damages. See 3/21/17 Tr. at 2-3. Lead Plaintiffs' Counsel also stated that the Settlement Agreement was fair, reasonable, and adequate because, absent settlement, there would be a motion for "summary judgment in which

every element [of securities fraud] would be attacked, particularly loss causation,” even “if [the Class] did get past summary judgment, . . . the trial [would] be very expensive,” and settlement would allow the Class to avoid “the complexities of litigating a case against a China-based defendant.” *Id.* at 4-6. Significantly, Lead Plaintiffs’ Counsel also pointed out that the parties had mediated settlement before Judge Faith Hochberg, a well-respected mediator and retired United States District Judge of the United States District Court of New Jersey. *See id.* at 6. The Declaration of Judge Hochberg, dated February 16, 2017, determined that “the proposed settlement represents a fair, reasonable, and adequate resolution of all of the claims against [China Finance].” Hochberg Declaration ¶ 18; (4) the Final Order Approving Class Action Settlement, dated March 24, 2017 (“Approval Order”), “grant[ing] certification of the Class solely for purposes of the Settlement pursuant to Federal Rule of Civil Procedure 23(b)(3)” and finding that “[t]he proposed Settlement as set forth in the Settlement Agreement is . . . fair, reasonable, and adequate, and appears to be in the best interests of the Class Members.” Approval Order at 2, 4; (5) the Order, dated June 23, 2017 (“6/23/17 Order”), directing that “[t]he class shall be paid \$2,182,926.08 . . . plus accrued interest and less any applicable taxes forthwith and, in any case, no later than June 30, 2017;” “[t]he lawyers shall be paid, following a subsequent Court Order upon application, \$650,000 in fees . . . and \$37,155.51 in expenses [(or 22.9% of the settlement amount)], but may not be paid until the entire class distribution has been made;” and “[t]he Claims Administrator shall be paid, following a subsequent Court Order upon application, \$129,918.41 in fees and expenses . . . , but may not be paid until the entire class distribution has been made.” 6/23/17 Order at 1 (emphasis omitted); (6) the letter from Lead Plaintiffs’ Counsel, Jonathan Horne, to the Court, dated July 17, 2017 (“7/17/17 Letter”), stating that “[o]n June 28, 2017, checks representing 100% of the Net Settlement Fund were mailed to Class Members;” requesting that Lead Plaintiffs’ Counsel “be paid the previously-authorized

fees of \$650,000 and expenses of \$37,155.51;" and stating that the claims administrator was seeking \$127,525.91 in fees and expenses. See 7/17/17 Letter at 1; (7) the Order, dated July 18, 2017 ("7/18/17 Order"), stating: "Application Granted to pay legal + claims administration fees." 7/18/17 Order; (8) the letter from Lead Plaintiffs' Counsel, Jonathan Horne, to the Court, dated August 3, 2018 ("8/3/18 Letter"), reporting that the class members had been paid \$2,186,134.65 on June 28, 2017; Lead Plaintiffs' Counsel had been paid \$687,155.51 in fees and costs on July 19, 2017; and the claims administrator had been paid a total of \$129,525.91. See 8/3/18 Letter at 1. The 8/3/18 Letter also stated that there was \$3,152.26 remaining in the settlement fund. See id. at 2; (9) the Order, dated August 3, 2018 ("8/3/18 Order"), directing that any and all remaining money in the settlement fund "shall be distributed equally among the 63 class members that have made the smallest claims and participated in the June 28, 2017 distribution; except that the class member with the smallest claim shall receive an equal distribution plus \$2.26 (for a total of \$52.26)." 8/3/18 Order; and (10) the letter from Lead Plaintiffs' Counsel, Jonathan Horne, to the Court, dated August 10, 2018, reporting that 63 class members had been paid the remaining settlement money (\$3,152.26) as the Court had directed, **the Court orders and directs as follows:**

1. The Court hereby enters final Judgment and closes this case.
2. The Court retains continuing and exclusive jurisdiction over the parties and the class members for matters, if any, relating to the Settlement Agreement.

The Clerk of Court is requested to close this case.

Dated: New York, New York
August 10, 2018



RICHARD M. BERMAN
U.S.D.J.